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Source: *American Journal of Political Science*, Vol. 42, No. 4 (Oct., 1998), pp. 1349-1363
Published by: Midwest Political Science Association
Stable URL: http://www.jstor.org/stable/2991862
Accessed: 12-08-2017 00:08 UTC

Economics, Entitlements, and Social Issues: Voter Choice in the 1996 Presidential Election

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Theory: Contemporary theories of presidential election outcomes, especially the economic voting and spatial issue voting models, are used to examine voter choice in the 1996 presidential election.
Hypotheses: First, we look at the effects of voter perceptions of the national economy on voter support for Clinton. Second, we look at the effects of candidate and voter positions on ideology and on a number of issues. Last, we examine whether voters' views on other issues—social issues such as abortion as well as issues revolving around entitlements and taxation that were emphasized by the campaigns—played significant roles in this election.
Methods: We employ multinomial probit analysis of the 1996 National Election Studies data and simulations based on counterfactual scenarios which are based on different perceptions of macroeconomic conditions and issue platforms of candidates.
Results: The effects of economic perceptions are much greater than the effects of voter issue positions on the election outcome. This behavior by voters leaves presidents substantial room to shirk on policy issues. But, some social issues, namely abortion, play a role in determining the election outcome. The presence of a third centrist candidate limited the ability of other candidates to improve their vote shares by moving in the issue space.

In general, both scholarly and popular discussions of presidential election outcomes have focused on three factors: the state of the economy, the positions of voters and candidates on issues, and the ability of candidates to conduct effective campaigns for office. In this paper we examine how these different factors account for the outcome of the 1996 presidential election. In

This is one of many joint papers by the authors on multiparty elections; the ordering of their names reflects alphabetic convention. We thank Alan Abramowitz, Tara Butterfield, and Garrett Glasgow for their comments. A previous version of this paper was presented at the annual meeting of the American Political Science Association, Washington, D.C., August, 1997. This work was supported by National Science Foundation grants SBR-9709327 to Alvarez and SBR-9413939 and SBR-9709214 to Nagler. Comments may be directed to the authors at: DHSS 228-77, California Institute of Technology, Pasadena, Ca 91125, rma@crunch.caltech.edu, and Department of Political Science, University of California, Riverside, Ca 92521-0118, nagler@wizard.ucr.edu, respectively. The datasets and computer code used to produce the results reported here can be obtained from the ICPSR article replication archive or from http://www.hss.caltech.edu/~rma/research.html.

American Journal of Political Science, Vol. 42, No. 4, October 1998, Pp. 1349–1363

turn, this will enhance our general understanding of how voters make their decisions in American presidential elections.

Recently, interest has focused on the importance of the national economy as a factor in accounting for both the success of three Republican presidential candidates during the 1980s as well as Bill Clinton's first victory in 1992 (Alvarez and Nagler 1995; Fiorina 1981; Kiewiet 1983; Markus 1988; Rosenstone 1983; Tufte 1978). But many in academic and popular circles have pointed to a number of noneconomic factors as important features of presidential politics. For example, in recent years social issues may have risen in importance as factors in presidential politics, most especially the issues of abortion and voter anger with Washington and the federal government. Contrasting the social issues, in the 1990s the Democrats tried to make entitlement programs an issue by arguing to voters that Republicans would eliminate or severely curtail Medicare and Social Security. In addition to these issues, the more general notions of liberal and conservative ideology have been seen as important issues in recent presidential campaigns since Ronald Reagan ran on an ideological position distinct from his opponent. Since then presidential elections have featured Bush's attacks on Dukakis's liberalism in the 1988 campaign and Clinton's more recent "New Democratic" ideology. So strong reasons exist to believe that both issues and ideology were important features of the 1996 presidential election (Alvarez 1997; Abramson, Aldrich, and Rohde 1983, 1987, 1990, 1994; Carmines and Stimson 1980; Jackson 1975; Key 1966; Page and Brody 1972; Pomper 1972).

While it is important to understand the relative impact of economics, issues, and ideology in particular presidential elections, having a general sense of which factors tend to matter most in voter decision rules can produce normative conclusions about the quality of voter decisions and whether politicians face serious constraints while in office. Judgments about presidential candidates based on retrospective economic concerns might be seen as employing objective and tangible information. However, if presidents have little control over short-term macroeconomic performance, retrospective economic evaluations might be poor decision criteria for voters to employ in electoral choice if their goal is to insure outcomes they desire. Thus, if voters are using economic criteria and not issue or ideological information in their decisions, candidates might be allowed much more flexibility in their future policymaking activities than voters would like them to have.

In this paper we examine three sets of explanations for the outcome of the 1996 presidential election campaign. First, we look at the effects of voter perceptions of the national economy on voter support for Clinton. Second we look at the effects of candidate and voter issue and ideological positions on support for the candidates. Third, we seek to understand whether voters'

preferences on other issues—social issues such as abortion as well as issues revolving around entitlements and taxation that were the focus of indirect and direct campaign strategies—played significant roles in this election. Thus this work extends the work of Alvarez and Nagler (1995) and enriches it with analysis of a more comprehensive set of issues. In the end, we are able to pull together each of these different sets of explanations into a consistent analysis of the 1996 presidential election which shows why Clinton won this race and why Dole and Perot fell so far from electoral victory. This allows us to better understand the relative importance of economics and issues in determining presidential election outcomes.

1. Modeling the 1996 Presidential Election

To test these different explanations requires a multivariate methodology where we can determine the relative effects of respondent characteristics and candidate positions on issues in a three-candidate election. We chose the multivariate model that imposes the fewest restrictions; we use the multinomial probit model to produce multivariate estimates of the relative effects of different factors on vote choice in the 1996 presidential election (Alvarez and Nagler 1995, 1998). We use the same type of multinomial probit specification as in our analysis of the 1992 presidential election.

The data we use are from the 1996 American National Election Study (Rosenstone, Kinder, and Miller 1997). In the multinomial probit specification, we estimate one coefficient for each alternative-specific characteristic. Thus we estimate only one parameter for each of the issue and ideological distance measures in our model.[1] The measure of ideological or issue distance is the squared difference between the respondent's self placement on the respective NES seven point issue or ideological scale and the candidate's mean placement on the same scale by all respondents.[2] But for individual characteristics, we estimate $(J - 1)$ coefficients for each characteristic, with

[1]In earlier work, we only operationalized ideological distance between the three candidates and each voter since there were no issue placement questions for Perot in the 1992 study (Alvarez and Nagler 1995). In the 1996 data, however, voters in the first two (of four) sample replicates were asked to place Perot on six seven-point issue scales (government services, defense spending, government responsibility for jobs, aid to blacks, crime reduction, and environmental regulation); the entire sample was asked to place Perot on the ideological scale. Thus we model a number of different candidate-specific variables. We did estimate a multinomial probit specification which includes only the ideological distance between the voter and each candidate, exactly replicating our analysis of the 1992 election data; we also estimated a model which included only the issue distance parameters and not ideology but we do not present that here. The results from these other models are substantively equivalent to those presented here and are available from the authors.

[2]Since the issue placement questions for Perot were asked only to survey voters in the first two sample replicates, when we calculate the position of Perot on each of these issues we use only voters from these first two sample replicates.

J being the number of choices in the model. Since there are only three choices in the model we present, we will estimate two such vectors of coefficients. One of these sets of coefficients gives the effect of a particular individual characteristic on the relative likelihood of choosing Clinton over Perot; the other set of coefficients gives the effect of an individual characteristic on the relative likelihood of choosing Dole over Perot.[3]

We include measures of the voter's opinion of the change in their personal finances over the past year and their opinion on the change in the national economy during that same time. Both of these measures are coded with positive evaluations as the high category. We include measures for opinions on whether both welfare and social security should be increased, kept the same, or cut (both variables were coded with the conservative answers the higher values). We also include opinions on the Dole 15 percent tax cut (a binary variable coded such that agreement with Dole on this issue was the high category). Additionally we include the respondent's opinion of government health insurance (conservative answers were coded high on the seven point scale). We measure voters' opinions about abortion policy by using responses from a question which asked voters which of four abortion options best represented their beliefs on abortion policy, with pro-choice coded high.

Finally, we included a series of measures for the individual characteristics which might have influenced voter choice in the 1996 presidential election. We have dummy variables for Republican and Democratic identification (with independents being the baseline category), measures for the respondent's educational attainment (years of schooling), gender (females were coded high), age (three dummy variables), and region (dummy variables for West, South, and East).

1.1 Multinomial Probit Estimates of the 1996 Election

In Table 1 we present the multinomial probit estimates. The parameter estimates in the left column give the coefficients which express the effect of each individual characteristic on the likelihood of the respondent voting for Clinton relative to the likelihood of voting for Perot. The right column gives coefficients for the effect of each individual characteristic on the relative likelihood of choosing Dole versus choosing Perot. The center column of estimates gives the coefficient estimates for the candidate-specific ideological or issue distances.

[3]We choose this particular normalization since it is identical to the normalization in our earlier paper on the 1992 election (Alvarez and Nagler 1995). We present results which estimate two of the three free error covariance elements, consistent with the standard results in the literature on the identification of these model parameters (Alvarez and Nagler 1998; Bolduc 1992; Bunch 1991; Keane 1992).

Table 1. Multinomial Probit Coefficients, Issue and Ideological Distance Model

Independent Variables	Perot Coefficients Normalized to Zero Coefficients for Clinton	Dole
Gov't services	–.05*	
	.02	
Defense spending	–.04	
	.06	
Gov't jobs	–.02	
	.02	
Aid to blacks	–.01	
	.02	
Crime reduction	.00	
	.02	
Environmental regulation	–.06*	
	.03	
Ideology	–.09*	
	.03	
Constant	–2.78*	–1.80**
	1.28	1.27
Personal Finance Improved	.09	.16
	.13	.18
National Economy Improved	.57*	–.21
	.28	.23
Increase Welfare	–.11	–.45*
	.17	.25
Increase Social Security	.23	.03
	.19	.20
Education	1.20	2.56*
	1.02	1.40
Pro-Choice Abortion	.11	–.32*
	.15	.19
Approve 15 percent Tax Cut	.11	.49**
	.31	.35
Oppose Govt Health Ins	.05	.19*
	.08	.11
Democrat	1.16*	–.98**
	.65	.61
Republican	.51	.99**
	.56	.70
Female	.11	.33
	.20	.26
Age: 18–29	–.80*	–.97**
	.48	.62
Age: 30–44	–1.06*	–.65**
	.38	.48

(continued on next page)

Table 1. Multinomial Probit Coefficients, Issue and Ideological Distance Model *(continued)*

Independent Variables	Perot Coefficients Normalized to Zero Coefficients for Clinton	Dole
Age: 45–59	–.33	–.28
	.28	.33
West	.40**	.10
	.29	.34
South	.27	–.13
	.24	.28
East	.22	–.44
	.30	.36
σ_{DP}	.02	
	1.04	
σ_{CP}	.42	
	.45	
Number of Observations	687	
Log Likelihood	–309.85	

*Significant at p = .05 level (1-tailed test)
**Significant at p = .10 level (1-tailed test).

The results in Table 1 are similar to our analysis of the 1992 election.[4] Ideological distance had a strong effect on candidate choice and indicates that voters were less likely to support candidates who were further from them ideologically, all other things being equal. Adding the issue distance variables improves our ability to understand the outcome of the 1996 presidential election. We found two statistically significant relationships: the further respondents' view of support for government services and environmental regu-

[4]This model fits the data quite well; it produces a predicted three candidate outcome of 48.8 percent for Clinton, 41.4 percent for Dole and 9.9 percent for Perot; the actual estimation sample had a three candidate split of 46.7 percent for Clinton, 44.8 percent for Dole, and 8.4 percent for Perot. We correctly classified 82.2 percent of the voters in our sample. In this model (Table 1), we see that the estimated error correlations are statistically insignificant. In the model we estimated including only ideology, one error correlation parameter (σ_{CP}) was statistically significant at the $p = .05$ level (one-tailed test). This indicates that the "independence of irrelevant alternatives" assumption may be violated in this case (Alvarez and Nagler 1998). There are two possible explanations for these error correlation estimates across the two multinomial probit models. One explanation could be that we have a better specification when we include issues and ideology in our multinomial probit model; possibly the information contained in the six issue distance parameters leads to the significant error correlation in the ideology-only model, information excluded from this model. The second explanation centers on the fact that we lose 160 cases when we include the six issues in our multinomial probit model; the loss of efficiency associated with these missing cases in the second model might produce the larger standard error associated with the estimate of σ_{CP} in Table 1.

lation were from the candidate's views, the less likely they were to support the candidate. As to the other issue-based predictors of support for Clinton relative to Perot, only Democratic partisanship and the perceptions of voters about the state of the national economy are significantly related to Clinton support relative to Perot. The coefficients on social security, abortion, and the tax cut are not significant; thus voters did not necessarily use these issues to distinguish between Clinton and Perot. However, looking at the coefficients for Dole relative to Perot, we see that voters did use several of these issues in making their choice among the candidates. Support for welfare cuts, pro-life beliefs, and support for private sector provision of health care are significant predictors of support for Dole relative to Perot. In addition to partisanship, the estimated impact of the 15 percent tax cut is statistically significant (significance here is at the 90 percent level, with a one-tailed test).

A voter's gender has no significant effect on vote choice once we control for the issues and demographic variables included in our model. This is consistent with recent work showing that the gender gap can be explained by issue positions of voters and candidates, economic perceptions, and partisanship (for discussion of this literature see Chaney, Alvarez, and Nagler 1998).

Thus the multinomial probit results allow us to assess the different explanations for the 1996 presidential election. We find support for the proposition that the national economy had a strong effect on voter choice as well as the idea that relative spatial location of voters and candidates on ideology and on selected issues (government services and environmental regulation) were significant predictors of candidate support. Finally, we see that voters' positions on a number of other issues—changes in entitlement policy, in federal government taxation, and abortion policy—were themselves significant predictors of vote choice.

1.2 The Magnitude of the Effects of the Independent Variables

Since these estimated effects in the multinomial probit model translate into individual probabilities of candidate support in a complex and nonlinear manner, we transform these coefficient estimates into probabilities to aid our interpretation of the relative magnitude of each type of effect on this election. Thus, we present "first difference" estimates in Table 2. We first set all of the independent variables to their sample mode or mean values.[5] Then for each

[5]Each of the issue and ideological distance variables were set to their sample mean values. We used more substantively plausible values for the other demographic and issue preference variables; the hypothetical respondent our calculations are based on was male, older than 60, lived in the south, had a high school education, was politically independent, thought that welfare should be cut but social security should remain constant, saw the national economy as better but their personal finances as unchanged, did not support the Dole 15 percent tax cut, was middle-of-the road on government support for health care, and thought that abortion should be permitted only in limited situations.

Table 2. Effects of Economics and Issues in 1996

	Probability of Voting for		
	Clinton	Dole	Perot
Personal finance			
Better	.49	.39	.11
Worse	.50	.34	.16
Difference	.01	.05	–.05
National economy			
Better	.49	.37	.14
Worse	.11	.68	.21
Difference	.38	–.31	–.07
Social security			
Increase	.56	.33	.11
Cut	.42	.41	.17
Difference	.14	–.08	–.06
Welfare			
Increase	.57	.19	.24
Cut	.49	.37	.14
Difference	.08	–.18	.10
Abortion			
Pro-choice	.59	.27	.14
Pro-life	.29	.60	.11
Difference	.30	–.33	.03
Baseline Probability	.49	.37	.14

Estimated probabilities were calculated with the other variables set to their mean or mode value.

of the independent variables of interest, we compute predicted probabilities of a voter choosing Clinton, Dole, and Perot for different values of specific independent variables. We first give the estimated probability for the high value of the variable, followed by the predicted probability of candidate support for the low value of the independent variable. The last entry for each specific independent variable is the difference between these two probability estimates, measure of the effect of changes in the variable.

The first two entries in Table 2 show how important the state of the national economy was in determining voter choice in 1996 than were perceptions of finances. Changes in a respondent's perception of their personal finances produced slight changes in the probability that the hypothetical voter would support each of the candidates. However, changes in perceptions of the national economy produced large changes in both Clinton and Dole support. The hypothetical voter was 38 percent more likely to support Clinton if

they saw the national economy as better rather than worse; the hypothetical voter was 31 percent more likely to support Dole if they saw the national economy as worse, not better.

Next, we see from Table 2 that opinions on cuts in both entitlement programs and abortion had strong impacts on candidate support. A voter who wanted to increase either program would be 14 or 8 percent (on Social Security and welfare, respectively) more likely to support Clinton. But a voter who wanted to cut either program was more likely to support Dole than a voter who wanted increases in either program (8 and 18 percent more likely for Social Security and welfare, respectively). These two issues had less of an impact on voting for Perot, since those wanting cuts in Social Security were more likely to vote for Perot than those wanting increases in that entitlement program; voters advocating increases in welfare programs were .10 percent more likely to vote for Perot than those desiring welfare program cuts.

Pro-choice beliefs made our hypothetical voter 30 percent more likely to support Clinton than pro-life voters. Pro-life beliefs made voters 33 percent more likely to support Dole than pro-choice voters. Abortion again played a crucial role in the election with the two major party candidates offering distinct choices.

2. Effects of Candidate Spatial Locations

The results presented in Table 2 demonstrated that voters' views of the issues played a strong role in determining voter choice in the 1996 presidential election. Here we pursue a different question about the importance of issues in this election by focusing on where *the candidates* were located on the six issues in our analysis and ideology. We also determine what each candidate's ideal location on each issue and ideology would have been.

To determine the effects of candidate behavior with regard to issue and ideological positioning, we simulate the effect of each candidate moving across the issue or ideological space, holding the positions of the other two candidates fixed. This is identical to the procedure we used in our analysis of the 1992 election (Alvarez and Nagler 1995). In this simulation, we compute the probability of each respondent voting for each of the three candidates as we move the candidate of interest across the issue or ideological space, from 1 to 7, by increments of .02. We then aggregate the estimated probabilities from all voters for each candidate at each possible position. This gives us estimated vote shares at each possible position.

We use the optimal placements we calculated using the procedure just described to determine what the maximal change in vote share would have been if any one of these candidates could have moved to their optimal

Table 3. Estimated Vote Shares with Candidates at Optimal Locations

	Three Candidate Vote Shares		
	Clinton	Dole	Perot
Vote Shares at Actual Positions	48.7	41.4	9.9
Clinton at Optimal Position	53.7	37.8	8.3
Dole at Optimal Position	46.8	43.8	9.3
Perot at Optimal Position	44.9	40.1	15.1
	Two Candidate Vote Shares		
	Clinton	Dole	
Vote Shares at Actual Positions	52.4	47.6	
Clinton at Optimal Position	57.1	42.9	
Dole at Optimal Position	50.3	47.6	

Cell entries are predicted vote shares for each candidate, if the candidate listed at the left moved to his optimal position on ideology and all six issues with the other candidates fixed.

position on ideology and all six issues, *ceteris paribus*.[6] In Table 3 we see there could have been some reasonably large changes in candidate vote shares if each of the candidates had moved to their optimal positions, holding the other candidates constant. Clinton, for example, could have increased his vote share a full 5 percent by simultaneously moving to his optimal position on all issues and ideology. Also, notice that Dole would have increased his vote share by almost 3 percent by moving to his optimal location. The biggest increase is seen for Perot, whose vote share would have jumped over 5 percent had he been able to simultaneously move to his optimal ideological and issue location. Under each hypothetical scenario we present, however, Clinton remains the winner.

This evidence thus leads us to conclude that the election was not determined by the ideological and issue position of the candidates. We found little support for the idea that any of the candidates were very far from their ideal positions. And when we moved each candidate to their ideological and issue optimal placements simultaneously, we did see some change in their vote shares, but not enough to significantly alter the outcome of the 1996 presidential election.

In 1992, when Perot received roughly 20 percent of the popular vote, whether his presence in the election campaign hurt Bush more than Clinton

[6]We performed similar analyses for all of the issues and ideology moving the candidates on each issue alone. In these results we see that movement on any one issue would not have appreciably helped any of the candidates. These results are available from the authors.

was an important question. We showed that Perot drew support from both Bush and Clinton almost equally, taking slightly more votes from Bush than from Clinton (Alvarez and Nagler 1995). We concluded from this that despite the fact that Perot's presence slightly increased Clinton's victory margin, Bush would still have lost the 1992 election. In 1996 Perot captured about 10 percent of all the votes cast, indicating that he was still a considerable force on the national political scene. If these voters had not been presented with a choice of Perot and had still turned out to vote, who would they have cast ballots for? And perhaps more importantly, could Dole have beaten Clinton in a Perot-free political environment?

Our multinomial probit model gives us one way to try to answer this question. We exclude Perot from the choice set by simply computing the two-party vote share under the assumption that each voter would cast their vote for Clinton or Dole, dependent upon the candidate for which they had the greatest utility. Using this approach, we estimate a two party vote breakdown of 52.4 percent for Clinton and 47.6 percent for Dole, a margin of just under five percent. In Table 3 we place Clinton at his optimal position on each of the seven issues and ideology—in a two-candidate race—and compute the vote shares of Clinton and Dole. We then do the same for Dole. If Clinton were to move to his optimal position on ideology and the issues simultaneously, he could have swept to a large victory (57.1 percent to 42.9 percent) in a two-candidate race.

3. Effects of the Economy

We now turn to the other major factor which influenced voter behavior in the 1996 election—economic perceptions. Our methodology gives us the ability to examine another important counterfactual question, following the sort of questions we asked about the 1992 presidential election (Alvarez and Nagler 1995), in particular, what if the state of the national economy had been significantly different in 1996? Would Dole have been able to win the 1996 election if voters perceived the national economy and their own personal finances in the same negative light in 1996 as they had in 1992?

At first blush, what is interesting about the aggregate distributions of opinions about personal finances in 1996 is that they were remarkably similar to those in 1988. While the distribution of opinions about changes in personal finance are virtually identical in 1988 and 1996 (with 42 percent and 44 percent said their personal finances were better in each year, and 25 percent saying they got worse in each year), the assessments of the national economy were, on balance, slightly more favorable in 1996 than in 1988 (with 40 percent saying the national economy was better in 1996 and only 19 percent saying the same in 1988). But what actually is most important to observe about the perceived state of the economy is how different 1992 was

relative to both 1988 and 1996. There is no question that the electorate was in a sour economic mood in 1992: only 5 percent thought the economy had become better, a large part of the story behind Bush's loss (Alvarez and Nagler 1995). The opinions regarding change in personal finances are also more negative in 1992 than in either of the other years (30 percent believed their personal finances were better in 1992). The perceptions of the national economy, however, were dramatically different in 1992 than in 1996 or 1988: a full 72 percent of American voters believed the national economy had grown worse during the last year of Bush's administration.

While we have thus found in our multinomial probit results that the national economy had a strong effect in returning Clinton to office in 1996, what would have happened if the economy had been performing poorly in the year leading up to this election? More specifically, what might the results have been if the election in 1996 were held with voters possessing the same economic perceptions which helped to push Clinton to victory in 1992? To answer this question, we provide counterfactual estimates of candidate vote shares under three different scenarios in Table 4. There, we simulate these hypothetical election outcomes by randomly reassigning opinions of the economy to the 1996 voters so that the aggregate distributions of opinions regarding economy matched the distributions of opinion about the economy held by voters in 1992. Such a simulation allows us to compute the probability of voting for each candidate using these hypothetical values for the economic perception variables and the voters' actual values for all of the other variables.

In Table 4 we see that if voters had seen their personal finances in 1996 the same as voters had in 1992 it would not have changed the election outcome. In the third row of this table, however, it is clear that had the national economy been seen by voters as being as bad in 1996 as it was in 1992, *Clinton would have lost this election by a large margin.* Not only could Clinton have lost to Dole by a considerable margin (about ten percentage points), Perot's vote share would have risen to just under 15 percent. We also present in Table 4 the same counterfactual simulation, but with Perot on the sidelines: were the national economy perceived to be as bad in 1996 as it was perceived in 1992, Dole would have easily won a two-candidate 1996 presidential election. Thus, the conclusion is inescapable; just as the weak economy in 1992 doomed the incumbent president to retirement, the strong economy in 1996 granted another incumbent president four more years in office.

4. Conclusions and Discussion

There are at least three policy issues or areas outside of economic performance that may have helped reelect Clinton in 1996. First, to the extent that he had an issue based campaign, it is clear that a Democratic tactic was

Table 4. Comparative Economic Opinion Effects, 1992–96

Distribution of Respondents' Perceptions of Economy	Three Candidate Vote Shares		
	Clinton	Dole	Perot
1996 Baseline	48.7	41.4	9.9
1992 Personal finances only	48.6	41.2	10.1
1992 National economy only	37.7	47.8	14.5
1992 Personal finances and national economy	37.4	47.7	14.9
	Two Candidate Vote Shares		
	Clinton	Dole	
1996 Baseline	52.4	47.6	
1992 Personal finances only	52.6	47.4	
1992 National economy only	46.6	53.4	
1992 Personal finances and national economy	46.4	53.6	

Cell entries are estimated vote shares for each candidate if distribution of respondents' perceptions of the economy matched the distribution of respondents' perceptions of the economy in 1992.

to scare voters into thinking that the Republicans would destroy Social Security. We have no measure of how effective the campaign tactic was in convincing voters of the distinction between the candidates on the issue, but our results fail to show that voters' views on Social Security had any statistically significant impact on their probability of voting for Clinton—despite the predictable support for Clinton over Dole when we examine the vote choice of voters supporting social security in a bivariate comparison.

Second, Clinton ran as a "New Democrat" in 1992 and attempted to sharpen that image for the 1996 race by signing the welfare bill. While Clinton could not have moved arbitrarily far to the left on the ideological scale and still won the election, he could have moved quite a bit to the left. Based on voters' perception of Clinton's position on the ideological scale that he never really convinced the voters that he was a "New Democrat," voters perceived Clinton to be just as liberal in 1996 as they had in 1992, which ironically makes Clinton as much a liberal in the eyes of voters as Dukakis was in 1988.[7]

Third, abortion was again a crucial issue distinguishing the Republican and Democratic candidates. A voter's position on abortion was also a major

[7]In 1988, the electorate's mean placement of Dukakis on the NES ideological scale was 3.24. Clinton's placement on the NES scale was 3.19 in 1992, 3.09 in 1994, and 3.15 in 1996. The electorate, therefore, did not see Clinton to be any more moderate than Dukakis, which casts considerable doubt on the electoral impact of Clinton's "New Democrat" mantle (Alvarez and Nagler 1995).

determinant of how he or she voted. Thus the emergence of the religious right as a force in Republican primary politics has clearly had an impact on presidential elections as the likelihood of the Republicans nominating a candidate who is pro-choice is slim: they will continue to send out presidential nominees holding the minority view on a divisive issue. Our analysis has shown that just as in 1992, the abortion position taken by the Republican presidential candidates harms their chances for general election victory.

But, simply put, again it was the economy, stupid. The overwhelming impact of the economy in 1992 was not just a fluke, nor was it simply a byproduct of the particularly poor economic circumstances. In 1996 the election was contested under economic circumstances very favorable to the incumbent, and voters again relied heavily on their economic perceptions in choosing for whom to cast their votes. Four years into his presidency Clinton had no major legislative victories to peddle; in fact, he had been defeated on the centerpiece of his legislative program—health care reform. In office, Clinton had started off pursuing an unpopular proposal on gays in the military, lurched into his health-care defeat, then presided over his party's losing the House for the first time in 40 years, which led to a welfare bill that most people felt he acceded to simply for political expediency. Yet Clinton was still able to easily retain his office.

The dominance of economic perceptions over issues has interesting normative implications for politics. The retrospective model of voting has suggested that voters reward or punish incumbents for economic performance and that this is a good thing since economic performance is observable and tangible. However, if incumbents have little control over short-term economic performance, voters are choosing candidates essentially at random. This suggests candidates have tremendous freedom to shirk in the policy areas over which they do exert considerable influence. If the economy is good the incumbent will be retained in office. If the economy is bad, having all the correct positions on the issues may not be sufficient to retain office. Thus, when voters use retrospective evaluations of national economic performance as their primary decision criteria in presidential elections, they might be losing their ability to insure that they eventually achieve the noneconomic policy outcomes they desire.

We temper this conclusion with another inference we can draw from our analysis. We have shown that Dole's ability to influence his vote-share by changing his position on the issues was severely limited by the presence of a third candidate (Ross Perot) suggesting that in a "crowded issue space" candidates have little room to maneuver for increased votes. Examining how this shapes politics in the multiparty democracies of Europe relative to the usual two-party politics of the United States is a crucial area of future research.

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